

Message Text

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64

ACTION NEA-12

INFO OCT-01 EUR-25 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 AGR-20 SS-15 NSC-10 PA-03

PRS-01 USIA-12 RSR-01 /173 W
----- 067852

R 151615 Z MAY 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 4374

INFO AMEMBASSY LONDON

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

LIMITED OFFICIAL USE NEW DELHI 5681

LONDON FOR LAMBRAKIS FOR AMBASSADOR MOYNIHAN

E. O. 11652: N/ A

TAGS: EAID, PFOR, PINS, IN, US

SUBJ: ATTEMPTS TO SABOTAGE FERTILIZER CORPORATION OF
INDIA CHARGED

1. THE EMBASSY HAS RECEIVED THE FOLLOWING TELEGRAM FROM
AMCONGEN CALCUTTA:

2. BEGIN QUOTE: CITING ' AUTHORITATIVE SOURCES HERE'
MAY 14 HINDUSTAN STANDARD IN FRONT- PAGE NEW DELHI DATELINED
STORY FROM ' OUR SPECIAL CORRESPONDENT' CHARGES THAT ' INFLUENTIAL
INTERNATIONAL CARTEL' HAS BEEN TRYING TO ' SABOTAGE' INDIA' S
EFFORTS TO ATTAIN ' SELF- RELIANCE' IN FERTILIZERS. MAIN
TARGET SAID TO BE FERTILIZER CORPORATION OF INDIA (FCI)
AND ITS PLANNING AND DEVELOPMENT DIVISION. MOTIVE ALLEGED
TO BE FEAR OF LOSS OF LARGE INDIAN MARKET.

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3. STORY LISTS NINE ILLUSTRATIONS OF ' ACTIVITIES OF FOREIGN AGENCIES IN RECENT YEARS, MOST OF WHICH... HAD BEEN RESISTED.' INCLUDED ARE REFERENCES TO USAID, FORD FOUNDATION, WORLD BANK. USAID SAID TO HAVE MADE LOAN FOR TROMBAY EXPANSION PROJECT IN 1967 DEPENDENT ON REVIEW OF FCI BY TEAM FROM U. S. MOST EVENTS CITED DATE FROM 1965-67.

4. FULL TEXT POUCHED. END QUOTE

5. COMMENT: AID HAS BEEN INVOLVED IN THE DEVELOPMENT OF INARATION THAT " FOR ALL INTENTS AND PURPOSES/ YOUR EXCELLENCY' S NOTE " CONSTITUTES A FORMAL DENUNCIATION BY THE GOVERNMENT OF BRAZIL OF THE ' AGREEMENT ON SOLUBLE COFFEE' ENTERED INTO BY THE TWO GOVERNMENTS BY THE EX-CHANGE OF NOTES OF APRIL 2, 1971." IN VIEW OF THE GENERAL RULE IN TREATY PRACTICE THAT, IN THE ABSENCE OF A SPECIFIC PROVISION FOR TERMINATION, A BILATERAL AGREEMENT REQUIRES THE MUTUAL CONSENT OF THE PARTIES FOR TERMINATION, MY GOVERNMENT MAINTAINS THE VIEW THAT IT HAS NO OBLIGATION TO ACCEPT A UNILATERAL TERMINATION OF THE OBLIGATIONS OF THE GOVERNMENT OF BRAZIL UNDER THE AGREEMENT, AND MUST THEREFORE RESERVE ITS RIGHTS WITH RESPECT TO THE PROVISIONS OF THE AGREEMENT.

WITH RESPECT TO THE PENULTIMATE PARAGRAPH OF YOUR EXCELLENCY' S NOTE, I WISH TO ASSURE YOUR EXCELLENCY OF THE RECIPROCAL DESIRE OF THE GOVERNMENT OF THE UNITED STATES TO CONTINUE TO SEEK MUTUAL UNDERSTANDINGS WITH THE GOVERNMENT OF BRAZIL ON MATTERS RELATING TO INTERNATIONAL TRADE IN COFFEE AND TO COOPERATE IN EFFORTS TO NEGOTIATE IN AS SHORT A TIME AS POSSIBLE AN APPROPRIATE INTERNATIONAL AGREEMENT WHICH WILL ADEQUATELY SERVE THE INTERESTS OF BOTH PRODUCERS AND CONSUMERS OF COFFEE. UNQUOTE.

2. EMBASSY SHOULD ADD APPROPRIATE FORMAL CLOSING PARAGRAPH.

3. INFORM DEPARTMENT BY PRIORITY CABLE SOON AS NOTE DELIVERED. DEPARTMENT MUST INFORM INTERESTED PARTIES LIMITED OFFICIAL USE

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WITHOUT DELAY AND MAY RELEASE TEXTS BOTH NOTES. (FYI. FOREIGN AFFAIRS COMMITTEE OF NATIONAL COFFEE ASSOCIATION MEETING PEBBLE BEACH, CALIFORNIA MONDAY, MAY 21 WILL INEVITABLY FACE QUESTIONS ON STATUS SOLUBLE MATTER AND IT WOULD BE DESIRABLE THEY BE PROVIDED WITH FULL TEXTS BOTH NOTES. END FYI).

4. IT MUST BE ANTICIPATED THAT DEPARTMENT' S FURNISHING TEXTS TWO NOTES TO NCA WOULD RESULT IN TEXTS, OR AT LEAST

THEIR SUBSTANCES, BEING PICKED UP BY TRADE PUBLICATIONS
AND POSSIBLY BY GENERAL MEDIA. THEREFORE, DEPARTMENT
WOULD SEEK INSURE AGAINST ANY PUBLICATION OF TEXTS BEFORE
2200 GMT FRIDAY MAY 18 AND WOULD REQUEST THAT GOB REFRAIN
FROM ANY EARLIER PUBLIC DISSEMINATION.

5. DEPARTMENT REQUESTS THAT ORIGINAL BRAZILIAN NOTE BE
TRANSMITTED TO DEPARTMENT FOR ATTENTION L/ EB. RUSH

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*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

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Current Classification: UNCLASSIFIED
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Copy: SINGLE
Draft Date: 15 MAY 1973
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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TAGS: EAID, PFOR, PINS, IN, US, PFOR
To: NEA
Type: TE
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